



INSURANCE FRAUD INVESTIGATION DIVISION

Kentucky Office of Insurance

909 Leawood Drive, P. O. Box 4050, Frankfort, KY 40604-4050

Phone 502-564-1461 – FAX 502-564-1464

Fraud Statistics/Charges and Convictions Activity January 2008

Fraud Statistics

	<u>Month</u>	<u>YTD</u>
Total Referrals Received.....	68	68
Open Cases (Investigations-includes prior years)		212
Assigned Cases (Investigations).....	7	7
Closed Cases (Investigations).....	1	1
Closed Cases (Investigations) Exceptionally Cleared-Declined by Prosecutor.....	1	1
Charges (20 felonies).....	20	20
Convictions (12 felonies, 3 misdemeanors).....	15	15
Restitution Ordered.....	\$ 4,508.32	\$ 4,508.32

Charges and Convictions Activity

Ryan L. Commings – On or about 4/19/07, Commings, a licensed agent with AFLAC, forged the signature for an individual on applications for a Hospital and Accident Policy. He also forged the signature of another individual on an application for a Cancer Policy. On 1/17/08, Commings was charged with three felony counts of Forgery 2nd in Laurel District Court.

Vache King – Between 11/7/05 and 5/6/06, King presented three altered and/or fraudulent off-work statements to Kentucky Farm Bureau (KFB) which resulted in her receiving \$4508.32 in lost wages for which she was not entitled. On 8/13/07, King was charged with one felony count of fraudulent insurance acts in Jefferson Circuit Court. On 1/9/08, she pled guilty to the felony count, and received a two year sentence diverted for five years. She was ordered to pay restitution in the amount of \$4,508.32 to KFB and a fine in the amount of \$918.40 to the Fraud Division for investigative expenses.

Daniel McGlone – On or between 9/8/07 and 9/30/07, McGlone caused his minor son to create a fraudulent insurance identification card on his personal computer. McGlone then presented the fraudulent insurance card on two different occasions to the Carter County Clerk's Office in order to register a vehicle. On 12/7/07, McGlone was charged with two felony counts of fraudulent insurance acts and one felony count of Unlawful Transaction with a Minor II. On 1/7/08, he pled guilty to two amended misdemeanor counts of fraudulent insurance acts and one amended misdemeanor count of Unlawful Transaction with a Minor III. He received 10 days in jail for the fraudulent insurance acts and ten days in jail for the Unlawful Transaction with a Minor III, to run consecutively.

James Garner Sadler – On or between 3/11/04 and 9/14/06, Sadler, of Sadler and Sadler Insurance, a licensed Life and Health agent in Kentucky, took amounts of money from his clients for the purpose of purchasing life, health, and/or Medicare Supplement Insurance, then converted it to his own personal use, and used premium payments collected from clients to pay partial premiums for other clients. Sadler received premiums in excess of \$17,000. Sadler also presented altered checks from his clients to Cumberland Security Bank and converted the money to his own use. On 12/20/07, Sadler was indicted by the Pulaski County Grand Jury on eleven felony counts of fraudulent insurance acts and four felony counts of criminal possession of a forged instrument 2nd degree. On 12/27/07, he was arrested at his home and was lodged in the Pulaski County jail under a \$15,000 cash/property bond. The investigation is on-going with a jury trial scheduled for 4/9/08.

Ronald Spadie – On or about 6/23/04, Spadie presented a fraudulent certificate of insurance to the Brown Hotel indicating he had both general liability and workers' compensation insurance, when in fact his insurance had cancelled. On 10/26/07, Spadie was charged with one felony count of fraudulent insurance acts in Jefferson District Court. On 1/14/08, he pled guilty to the amended misdemeanor charge of attempted fraudulent insurance acts over \$300. He received 365 days conditionally discharged for two years.

Cheryl Stransky – On or between 2005 and 12/2006, Stransky, a licensed Kentucky agent, accepted \$1,388.37 in insurance premiums for customers but failed to deposit the money in the agency account, and converted the money for her own personal use. On 1/8/08, Stransky was charged with one felony count of fraudulent insurance acts in Fayette District Court.

Juanita Helen White – On or about 7/20/07, White made a claim to State Farm Insurance after a small out building was destroyed following a lightning strike. However, she failed to disclose that the out building was not on her property and therefore was not covered on her policy. On 1/8/08, White was charged with one felony count of fraudulent insurance acts in Woodford District Court.

Rita Wilkerson – Wilkerson obtained a valid insurance identification card from Karen Godsey and reproduced the card 10 times between 9/13/05 and 2/28/07, to obtain or to assist others in obtaining vehicle license tags. On 7/11/07, Wilkerson was charged with 10 counts of Forgery II in Grant Circuit Court. On 12/19/07, she pled guilty to the ten felony counts and received a three and a half year sentence probated for five years. As a condition of probation, she must serve 60 days of incarceration and pay a fine in the amount of \$1,000.00 to the Grant Circuit Court.

Karen Godsey was charged with Complicity to Forgery II, and pled guilty to Criminal Facilitation to Forgery II. She received 30 days in jail conditionally discharged for two years, and was ordered to cooperate with the Division's criminal investigation against Wilkerson. She was also ordered to pay court costs and a fine in the amount of \$500 to the Fraud Division for investigative expenses.